MOBILITY
A NEWSLETTER FROM THE NEW JERSEY DEPARTMENT OF TRANSPORTATION
Thomas H. Kean, Governor
John P. Sheridan Jr., Commissioner
March 1984
Vol. 6 No. 1

Governor Kean proposes new funding program

Governor Thomas H. Kean has proposed a new stable funding program to deliver long overdue improvements to the state's highways and public transportation network: the **New Jersey Transportation Trust Fund**. It would provide $3.3 billion over the next four fiscal years without a tax increase.

HOW DO WE GET $230 MILLION PER YEAR?

Revenue Sources:

General Fund:	**$88 million**
Heavy truck fee increase:	**$30 million**
Toll road authorities:	**$25 million**

Commissioner John P. Sheridan Jr. outlined the Governor's proposal as follows:

Funds from three sources of revenue would be deposited in a New Jersey Transportation Trust Fund. These funds when matched with federal monies would provide $3.3 billion in capital spending for highways and public transit over the next four years.

The three revenue sources are: $88 million to be appropriated from the general fund by the Legislature; $30 million from increased heavy truck fees and $25 million from the independent toll road authorities.

Of this combined $143 million in the trust fund, $88 million would be used to sell revenue bonds. The sale of bonds would produce $175 million a year for four years.

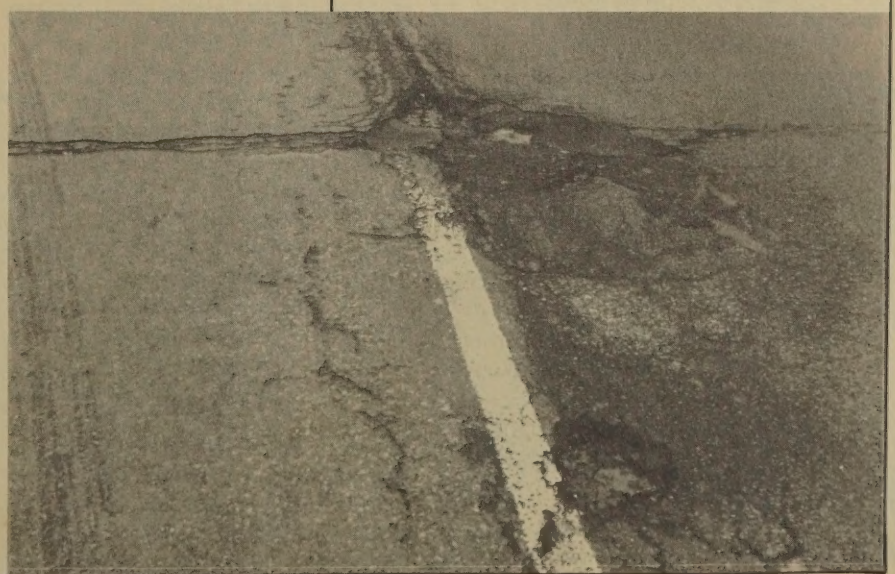
The sale of bonds, when combined with pay-as-you-go funds, will yield $230 million a year in state funds for transportation capital projects.

Of that $230 million, NJ TRANSIT would receive $50 million and NJDOT would

(continued on page 4)

THE N.J. TRANSPORTATION TRUST FUND PROVIDES A $230 MILLION AVERAGE ANNUAL CAPITAL PROGRAM (FISCAL YEARS 85-88)

- **$58 million** — **Federal highway fund match**
- **$50 million** — **Federal transit fund match**
- **$25 million** — **Betterments to existing system**
- **$35 million** — **FAUS swap (federal)**
- **$62 million** — **100% state funding**



The New Jersey Transportation Trust Fund proposes to complete long overdue improvements to the statewide transportation network.

Heavy trucks face fee increase

The Trust Fund proposal recommends an increase in heavy truck fees so heavy trucks finally will be paying their fair share of highway costs, while still maintaining New Jersey's competitive advantage as a place for trucking companies to locate and do business.

"We think there's a compelling argument for an increase," said Commissioner John P. Sheridan Jr. "The cost allocation studies . . . indicate that the trucking industry in general and heavy trucks, in particular, do not pay their fair share of the costs relative to the damage they do to the highways and bridges."

At present, the Garden State ranks 46th among the states in the level of user charges imposed upon heavy trucks. With the proposed registration fee increase in place, it would rank 37th, still considerably lower than New York and Pennsylvania when all user fees are taken into consideration.

Truckers have not had an increase in the motor fuels portion of the fees that they pay since 1974. They have not had a registration fee increase since 1975, even though automobile owners had one in 1979. In addition, in 1978 the sales tax was eliminated from heavy trucks.

The industry has had two major productivity increases over that period from two sources:

- an increase in the gross weight on trucks: from 73,000 to 80,000 pounds
- an increase in gas mileage: from four-and-a-half to six miles to the gallon

The increase in heavy truck fees would range from 4.3% to 87% with the biggest increase imposed on the heaviest trucks. It excludes small trucks, farm and solid waste vehicles.

Trust Fund taps toll authorities for $25 million

Revenue from the Garden State Parkway, the New Jersey Turnpike and the Atlantic City Expressway will provide $25 million for the state transportation network, according to Trust Fund legislation.

"We're really talking about monies that in our opinion are surplus," said Commissioner John P. Sheridan Jr. "Toll road traffic places a burden on the state system so it's reasonable to expect a return from them."

The amount of contribution from the roads was determined from a study completed by the New Jersey Toll Authorities Committee. The Atlantic City Expressway Authority has already agreed to $2.5 million a year which will be earmarked for highways in South Jersey.

The toll road funds will go back to the toll road users and the authorities by this provision since the state roads which would be improved are necessary for the toll road users, too.

"Just as state dollars were used to establish the tollways to improve New Jersey's transportation network in the '50 s and '60s, the excess toll road revenue would now be used to help finish and refurbish the state's ailing transportation system in the '80s," Sheridan said.

MOBILITY is a publication of the New Jersey Department of Transportation, Division of Communications/ Community Relations, to inform the general public about the Department and its activities. If you want to be on the mailing list, write to MOBILITY, Publications, New Jersey Department of Transportation, 1035 Parkway Ave., CN 600, Trenton, N.J. 08625.

MILEPOSTS

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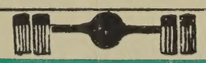
1983

- $339.5 million is new NJDOT record for **obligating federal dollars,** the full amount authorized by Washington. This moves New Jersey from 48th to 28th in use of available federal dollars from May 1982 to September 1983.
- NJDOT advances its **highway program** from $220 million in 1982 to $451 million
- Work begins on dozens of **long overdue projects** including final sections of I-78, additional sections of Route 55, dualization of Route 9, improvements to Route 23 and Route 17 and the Rancocas Bridge
- Voters overwhelmingly approve **Bridge Bond Rehabilitation Act** which provides $135 million for repairs. Gov. Kean announces a $377 million bridge repair program which combines the bond and federal dollars.

Heavy Truck Fee Incr[illegible]e—a f[illegible] share

- **unchanged since 1975**
- **N.J. ranks 46th now**
- **N.J. would be 37th if proposal is implemented**



- Atlantic City Expressway agrees to provide $2.5 million in **surplus toll revenues** to DOT for South Jersey projects, a "first" result of the New Jersey Authorities Committee study
- Restructuring of **Port Authority** proposed
- In-depth study of **Hudson Waterfront begins**
- **Airport Safety Act** e[illegible]ed for g[illegible]er financial assistance to general aviation airports, to improve safety and encourage wider use
- High-speed intercity and commuter **rail service to Atlantic City** agreement arrived at between NJDOT, NJ TRANSIT, Amtrak, Resorts International and the Atlantic County Improvement Authority
- USDOT approves the Governor's concept plan for $470.3 million in substitute projects for **dedesignated funds** from abandoned interstate projects
- **Reelectrification** of the Morristown Line continues toward summer of 1984 completion target
- Four more **park-and-ride facilities** constructed with five more in progress
- $11.4 million received from a federal grant for the construction of the **Camden Transportation Center**
- **$15.5 million UMTA grant received to construct a rail maintenance facility** in the Kearny Meadows, bringing the total federal funding for the project to $18.5 million
- Seven construction contracts completed on the **Erie-Lackawanna reelectrification** project
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- New **Matawan Station** opens
- Required preliminary work completed for Phase II of the **NJCL reelectrification** to extend service to Long Branch

Trust Fund to benefit counties and municipalities

An essential part of Governor Kean's Transportation Trust Fund proposal involves the substitution of approximately $35 million in Federal Aid Urban System (FAUS) funds that now go to most counties annually with an equal amount of 100% state funds.

Each county in the state would receive not less than the level of funding received under the FAUS program during 1984 for its county and municipal projects. All backlogged FAUS funds due the counties would remain available. And under no circumstances would any county—including those not included in the current FAUS program—receive less than $300,000 a year.

This substitution of state funds for FAUS funds with state match is expected to enable the counties and municipalities to complete considerably more projects with the same amount of dollars because it will get the counties and municipalities out from under the federal requirements that must be followed when federal funds are used.

The proposed regulations for the local aid portion of the Governor's program envision each county preparing a four-year Capital Transportation Program showing how the state aid funds would be spent.

Although there would be provision for exceptions in special cases, the local aid funds would be limited to use for construction. The Capital Transportation Program prepared by the counties would be approved by the Department of Transportation prior to the initiation of projects.

Other than this program approval, however, participation by DOT would be minimal in order to eliminate as much red tape as possible.

The full set of proposed regulations will be distributed to all counties and municipalities for their comments and suggestions prior to implementation of the program should it be approved by the Legislature.

The FAUS funds that would be freed up as a result of this substitution program would continue to be used on FAUS projects throughout the State. However, the funds would be funneled to the larger projects of regional importance that have gone unfunded under the current program because of insufficient funds.

Although the FAUS project list would continue to be developed by the MPOs and regional coordinating committees through the "TIP" process, all the projects would be done by the state.

Overall, the Governor's Transportation Trust Fund proposal is aimed at improving the state's transportation network at all levels without imposing unnecessary new taxes on the citizens of the state.

FINANCING COST COMPARISON *(in millions)*

	PRINCIPAL	INTEREST	PERCENT
1968 State transportation bonds	$640	$506	79%
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**Projected*

New funding program *(continued from page 1)*

receive $180 million. Matching those funds with every available federal dollar would produce an estimated $800 million a year for capital spending on the state's highway and public transit systems.

The total, with additional funds from previously approved transportation and bridge bond issues, would be approximately $3.3 billion over the next four fiscal years: $2.3 billion for highways and $1 billion for public transit.

On the highway side, $62 million a year would be available in 100% state dollars and another $25 million would be used to implement a resurfacing program.

The proposal, which establishes a dependable funding base for capital improvements for fiscal years 1985-88, is awaiting action by the State Legislature. The bill setting up the fund was introduced by John Markert in the Assembly and Walter Rand in the Senate.

The fund will enable New Jersey to use all available federal funds both for highway and public transit projects while at the same time avoiding tax increases.

Additionally, it will allow the DOT and NJ TRANSIT to complete a variety of projects statewide with 100% State funds; initiate a resurfacing program; construct and rehabilitate public transit equipment and passenger facilities; and provide $35 million in 100% state funds to replace the existing FAUS local aid program.

FOR FURTHER INFORMATION, CALL

New Jersey Department of Transportation
609-292-3225
Speakers are available.

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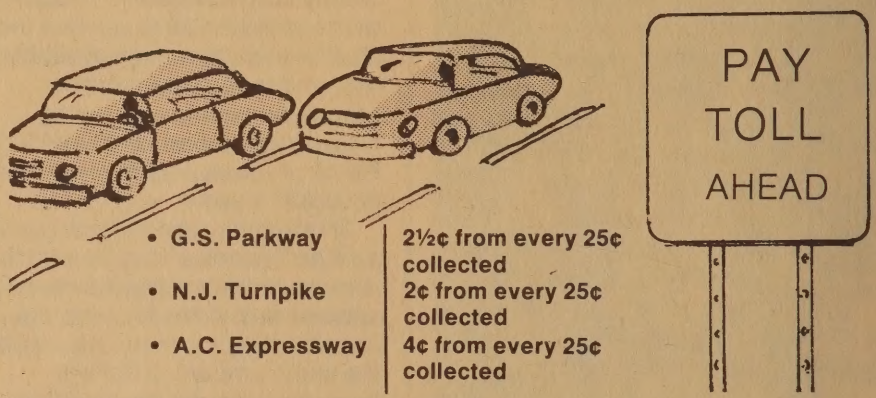

• G.S. Parkway	2½¢ from every 25¢ collected
• N.J. Turnpike	2¢ from every 25¢ collected
• A.C. Expressway	4¢ from every 25¢ collected

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